

MEMORANDUM FOR THE PRESIDENT

Subject: Recommended Comments on Cuba

Free World Shipping to Cuba

(Senator Keating's primary criticism has been about free-world shipping to Cuba, and the statistics in this department are much more favorable to our effort than the overall shipping picture.)

"We have been concerned over this problem and have had it under continuous study. The quarantine of October-November 1962 pushed the level of free-world ship arrivals in Cuba to a low level. Since that time we have handled the problem to the maximum extent possible by enlisting the cooperation of our friends and allies. Many of them have taken measures to discourage or stop this shipping, and some of them are now working on further steps. As a result of these efforts, substantial progress has been made in reducing free-world shipping to Cuba. For example, in the first 9 months of 1962 there were more than 700 ship arrivals with free-world registries. In the first 9 months of 1963 there were approximately 290. We consider this a significant drop in free-world shipping, which is definitely having its effect in Cuba. It certainly indicates a willingness to cooperate on the part of our allies and friends.

Moreover, the prospects for further reduction in free-world shipping to Cuba are encouraging. The Greeks, who have been the second largest

shipper in the Cuban trade - with about 85 ships in the trade over the past 9 months - issued a decree within the past two weeks which takes a decisive step towards the removal of Greek shipping from the Cuban trade. So, as present Greek time charters expire, we should see a further reduction in Greek shipping to Cuba.

We are not, however, content with the situation and are continuing to consider measures to bring about further reductions."

(NOTE TO THE PRESIDENT. If you want to put the finger on the British, here are the facts: "The UK has the most ships in the trade; about 100 ships of British registry have gone into Cuba during the last 9 months. Much of the cargo carried by the British ships have been carried under Soviet Bloc charter. I have taken up this matter with Lord Home.")

The Military Threat

Since August as many as 2,000 Soviet military personnel may have left Cuba. Soviet military strength in Cuba at present is estimated to be a little over 5,000. Most of those remaining are advisers and technicians engaged in training combat personnel in the use of weapons and maintaining Soviet equipment. No organized Soviet ground combat units remain in Cuba. Our best information indicates that at least two-thirds, and probably more, of the Soviet military personnel have departed since October, 1962.

But there are still Russians in Cuba and this is still a matter of concern to us.

The Cuban Economy

The failure of the 1963 sugar harvest indicates that a net decline in total economic activity is likely this year. It was the worst harvest since 1945. There is a serious shortage in housing, in shoes and clothing, and in food. There are shortages in machinery which confront them with grave problems in making any increase of industrial production. Foreign exchange earnings for the Cuban Government will probably diminish.

Perhaps the best indication comes from Castro's own speeches, which are filled with complaints about the tightening noose and restrictions of "imperialism". He was especially upset about the action of the Greek Government in forbidding ships to come to Cuba.